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POTSDAM CONFERENCE DISCUSSES PACIFIC WAR

America reported Scheming for Postwar Understanding With Soviet Union

The War of Greater East Asia was the principal matter of discussion at the outset of the "Big Three" Conference at Potsdam, according to a Zurich dispatch to the Mainichi on July 23.

Another Zurich dispatch to the Mainichi said that the action of the People's Political Council in Chungking in adopting a resolution favoring the conclusion of an alliance between Chungking, the Soviet Union, Britain and France is arousing widespread attention for the reason that the East Asiatic situation is believed to be one of the principal items of discussion at the Potsdam Conference. The dispatch is positive that the hand of America was in the Chungking move to which the Soviet Union is quite indifferent.

The Mainichi dispatch on the Potsdam Conference follows:

"The American and British press is loud in condemnation of what is being done at the Potsdam Conference. Yet nothing has been said by both the American and British Governments as to what has transpired at the conference.

Pacific War Discussed

"Veteran newspaper political correspondents covering the conference are of the opinion that the War of Greater East Asia was the principal subject of discussion in the early part of the conference. They allude to four points. In the first place, a very large number of military experts are participating in the conference. Among them are dominant experts in matters connected with East Asia. Secondly, the indications are that President Truman and Premier Stalin are dominating the conference; the part of Prime Minister Churchill is little better than that of an observer. Thirdly, America has set to work energetically, spreading propaganda about the War of Greater East Asia; her agents being active, disseminating reports purporting to show that American landing operations on the Japanese mainland are imminent. Fourthly, America has launched a political offensive against Japan.

"The third and fourth points go to show that America is endeavoring to create an impression that the end of the War of Greater East Asia is not in the remote future, with the intentin of inducing Premier Stalin to agree to a disposition of the aftermath of the War of Greater East Asia and of East Asia along lines favored by President Truman."

Regarding the action of the Chungking People's Council, the Mainichi Zurich dispatch said:

Arouses Wide Interest

"The action of the People's Political Council in Chungking in passing a resolution favoring the conclusion of an alliance between Chungking, the Soviet Union, Britain and France on July 17 is arousing widespread interest mainly for the reason that the question of East Asia happens to be one of the principal item of discussion at the Potsdam Conference with every indication that it will provide the key to the success of the conference.

"Close observers in America and Britain of Chinese affairs are of the opinion that America, supporter of the Chungking regime, was in the background of the People's Political Council's action. The exclusion of America from the proposed alliance does not mean that the Council considered America not important enough to be included in the pact. Instead, the exclusion was political artifice on the part of America to attain its objective through exploitation of Chungking. It is clear that America hoped that the action of the Council would induce the Soviet Union, Britain and France to clarify their attitude toward the China question.

"Such intention on the part of America is understandable, being in harmony with the American action in getting T. V. Soong to visit Moscow and President Truman's broaching of the question of postwar East Asia at the Potsdam Conference.

Britain Remains Cool

"Britain is exceedingly cool toward the proposed four-power alliance, according to the London correspondent of the Neue Zuercher Zeitung. He thinks that Chungking has to put its house in order before it should think of entering into an alliance with the other three mentioned powers.

"Many observers are of the opinion, too, that the increase in animosity between Chungking and Yenan is one reason why Britain is wary against involved in the domestic troubles of China. On the other hand the Soviet Union is said to be even more lukewarm than Britain toward the proposed four-power alliance.

"The American magazine Time reports that Chungking has an intention of advancing into Indo-China, and as long as Chungking has such an ambition, it cannot even hope to enter into ties of an alliance with France.

"In such circumstances, the four-power alliance on which Chungking has set its heart has no chance of realization."

CHAOS EXISTS IN BULGARIA

Communists Hold Key Positions in Justice, Interior Ministries

The situation in Bulgaria is rather tense today, said a diplomatic correspondent in London, who declared that the Bulgarian Government is finding it increasingly hard to keep up unity in the country, according to a Sofia report of July 22 received in Berne.

The correspondent said that four political parties have equal representation in the Government but their following in the country is far from equal. The Agrarian Party has the biggest following but the Communists hold the key offices of Justice and the Interior Ministries.

The immediate issue, according to the correspondent, is whether elections should be held in the autumn or be postponed until there is a better chance for Bulgarian electors to seek peace.

POLES IN GERMANY AWAIT PLANS FOR REPATRIATION

Serious Trouble May Develop As Those in British Zone Possess Arms

Pronouncement by the Big Three on the future of the Poles in Germany is eagerly awaited by more than 500,000 "displaced" Poles in the British zone of occupation who have no means of returning to Poland, says a July 23 Stockholm dispatch, quoting a Reuter's report from London.

Unless swift action is taken, serious trouble may develop between the Poles, the British and police. Thousands of Poles still have the arms which they seized from the Germans for their own protection during the surrender of Germany. The situation is now so serious that the German police, hitherto unarmed, are to be allowed to carry rubber truncheons for their own protection.

Military Government officials report that 11 unarmed German policemen have been murdered in six weeks. At Minden, eight Poles and one Greek will be tried on Tuesday, on charges of looting while armed with German rifles.

Two members of the Polish Military Mission in Germany are reported to have said that the "situation of the Poles in Germany at present is characterized by chaos and disappointment". There are 526,000 displaced Poles scattered all over the British zone in addition to 300,000 in the Polish Army. At present there are no facilities for the repatriation of the Poles in the British zone. The matter is further complicated by the fact that a great many do not wish to return.

"So far we have no authority from the Allies for repatriation," declared the Polish authorities. "The only thing we can do is to try to hold together what is left in Germany of the Polish nation, its people and their possession," the Polish officers asserted.

PRISONERS RIOT IN ITALY

More Than 1,000 Captives Attempt Escape—Togliatti Makes Appeal

Parmillo Togliatti, Communist Minister of Justice in the Parri Government, appeared on the scene of serious prison riots over the weekend, on Monday, and appealed to the prisoners to maintain order, states July 23 Lisbon dispatch quoting a Rome report.

Disturbances which began on Saturday, when more than 1,000 prisoners made an attempt to escape, resulted in the death of one prisoner and the wounding of another. Justice Minister Togliatti also, appealed in the Italian press to the families of the prisoners to try to calm their relatives. It is understood that the Italian authorities are asking the Allies for lorries in which to move the prisoners while the prison is being repaired.

A fire started by the prisoners on Sunday night did not cause much damage to the main building although the roof of the central rotunda, from which access is obtained to the tiers of cells, collapsed.

CHUNGKING, YENAN DIVIDED ON IMPORTANT QUESTIONS

Struggle Between Two Regimes Taking Form of Conflict Between Cities and Villages

Chungking and Yenan are following courses which are utterly divergent, according to a Peking dispatch to Domei dated June 23. Among the questions on which the two regimes are sharply divided at the moment are that of the non-participation of Yenan in the People's Political Council and the armed struggle between the two regimes which is raging throughout the length and breath of China.

The relations between Chungking and Yenan are so strained that they are fast assuming the proportions of an international question. The struggle between Chungking and Yenan must be looked at from a new angle, since the knowledge gained thereby of the actualities of the situation between the two regimes will be necessary for a good understanding of the whole China question.

In the first place Chungking and Yenan are differently situated economically. Yenan has a strong hold on agricultural economy in China. The hold is by far firmer than that of Chungking. On the other hand, Chungking is superior to Yenan in the hold it has on the racial capital in the cities and towns of China.

While China is a semi-colony and is under feudal conditions, that is while it is a non-modern State, it is in nature that the view should be taken that, on the whole, Chungking is superior politically to Yenan. But it is not warrantable for one to form a poor opinion of Yenan because of this. The regime has the support of 80 per cent of the farmers in China and is relying to a great extent on the farming population of China for its continued existence. Certainly, it is dangerous to belittle the latent political power of the regime. It is this latent political power of Yenan that Chungking fears most.

A look at the character of the racial capital, on which Chungking has a hold, shows how limited is the political power possessed by the regime compared with that of Yenan. Secondly, Chungking economy is weak compared with that of Yenan. A considerable portion of the racial capital on which Chungking has a hold is represented by the capital possessed and controlled by the Soong family. This Soong capital, which is American in character, has no purpose of its own. Besides, it is subordinate to American capital. Thus it is used in a way calculated to bring most profit.

Now Chungking owes its continued existence to the fact that it connects the racial capital it controls, which is employed in a way to enrich American capitalists, with the struggle of resistance to Japan which was out of the motive to achieve racial autonomy in China. This is the reason why the position of Chungking at home is weak in a great degree. On the other hand, the agricultural economy on which Yenan is based is a pure native economy. It is poor, but there are some things about it which are autonomous and independent.

Why Yenan Is Opposed

The pressure of foreign capital is bound to lead to a condition permitting an exploitation of the Chinese agricultural population. This the Yenan regime knows, and it is but natural that the regime, which is based on a system of agricultural economy, should be finding itself in opposition to the racial capital controlled by Chungking which is playing the role of the hand-made of foreign capital.

Time along will decide the question of which of the regimes of Chungking and Yenan will come off victorious from the struggle for a dominion over agricultural economy in China. The chief interest in the development of the situation between Chungking and Yenan arises from the fact that it will be an indication of the way in which time will decide this question.

Thirdly, Yenan is not in a position to be content much longer with the support of the farming population of China as long as it has an eye on the establishment of a dominion over China. It is plain to see that the craving desire of Yenan must be for a hold on the racial capital in China, especially that located along the Yangtze River. There is no doubt that the chief object of Yenan in its operations for an extention of its prestige in the larger cities in China is control of the racial capital in China.

It happens that the racial capital of China is cautious toward the forces of Yenan which have thus far established themselves in cities and towns. It will not be surprising if capital has taken a flight from where the regime has made its influence felt in a greater degree. The interesting question is what the regime will do if there has started a flight of capital from the cities where its influence is felt. If Yenan makes a blunder in dealing with such a situation, it is bound to come into a sharper conflict with the racial capital of China. The consequence of this is that it will have to be content for ever with being a regime based on a secondary political party with the support only of farmers.

It is needless to say that if Yenan wishes to be dominant in China and to direct the country's policy, it must act with great boldness in introducing foreign capital and technique. But such a course has nothing to distinguish itself from that followed by Chungking which is having the effect of perpetuating the condition of China as a semi-colony. It is hardly possible to think that Yenan will ever shape its course on anything like the lines of the policy pursued by Chungking. The immediate task before Yenan must be to find a way by which it may introduce foreign capital and technique while avoiding being blamed for following Chungking in doing harm to the best interests of China.

Lastly, the struggle between Chungking and Yenan is taking the form of a conflict between cities and agricultural villages. The thing to be noted in this connection is that not only militarily but also politically and economically Chungking is strong in the cities and Yenan in the agricultural villages. The fact seems to point the way in which the situation between the two regimes will develop in the future. It would be interesting to know the way in which Yenan, which has decided that it shall dominate larger cities of China where Chungking is already established should set about the work. Yenan is in a position where it has no alternative but to make a clean sweep of the capitalists led by T. V. Soong and Kung Hsiang-hsi if it wishes to make a success of its policy toward cities and its racial policy.

E. JAPAN RECONNOITERED

4 Deck-Borne Planes, 3 B-29's Encroach Izu, Fukushima Areas

Four deck-borne planes reappeared at about 8:30 a.m. Monday and after operating over the area from Shizuoka to the west coast of Izu Peninsula, fled via Cape Omae.

Entering via Katsuura at 10:45 p.m. Monday, one B-29 invaded the Fukushima area after passing over Tokyo Bay, Urawa, Tsuchiura, Mito and Takahagi. At 11:45 p.m. it was seen over Murakami in Niigata, from whence it again penetrated Fukushima and then into Ibaraki, escaping about an hour later from Ota.

Following this a reconnaissance flight was carried out over Fukushima by another B-29, which, penetrating Shimoda at 8:13 a.m. Monday, flew over Hara, Atsugi, Kawagoe and Utsunomiya. Still another B-29 pierced Suruga Bay at 8:33 a.m. and, flying over Numazu, Atsugi, Tokyo, Chiba, Tsuchiura and Mito, penetrated Fukushima at 9:20 a.m.

MORE B-29 CREWS WANTED

U.S. Airfield Shortens Training Period to 10 Weeks

Captain Siemesson, commander of a military airfield in Florida, made the following statement in regard to the training of crews for B-29's, according to a July 22 dispatch from Tampa, Florida, as relayed by Domei from Lisbon.

"The training period for B-29 crews has been reduced from three months to 10 weeks at this airfield. By this curtailment of the training period, it has become possible to train five batches every year, each batch comprising 50 persons, as against the four batches per year produced hitherto."

CHUNGKING WILL IMPORT GOLD BULLION FROM U.S.

Revealed by Soong at People's Political Council; Regime Hit by Inflation

Dr. T. V. Soong, President of the Chungking Executive Yuan, announced at the People's Political Council on July 20 that an agreement had been reached for the import of a large amount of gold bullion from the United States to Chungking.

In this connection, an AP dispatch from Chungking dated July 21 reports that the Chungking regime intends to place the gold bullion on sale in order to collect the currencies which are overflowing in the regions under the control of the Chungking regime, according to a Domei dispatch from Lisbon on July 22.

The same AP dispatch further stated that currency inflation in the territory under the control of the Chungking regime has recently reached a dangerous point. The suspension of the sale of gold by the Chungking regime resulted in soaring up black market prices for American dollars. The quotation rose once as high as 300 as against one Chungking currency.

The rate has at present improved somewhat and is maintaining 260 as against one. The official quotation of American dollar is 100 as against one Chungking currency. These figures clearly show the serious inflation situation in the territory under the control of the Chungking regime.

Proving Braden's Implicity

Argentine Foreign Minister Cesar Ameghino today promised a complete investigation of a "handbill" campaign against U.S. Ambassador to Argentina Spruille Braden, whose name is linked to the recent mine disaster in Chile, according to a Buenos Aires report of July 22 received in Lisbon.

OIL SUPPLY DIFFICULTY FOR U.S. FORCES LOOMS

Sufficient Fuel for Transportation Is Big Problem With Long Commissary Lines

Predicting difficulties in supplying sufficient fuel for transportation purposes in the Pacific war zone, the U.S. Oil Industry Wartime Commission reported as follows on July 22, says a Washington dispatch to Lisbon dated July 22, relayed by Domei:

Sufficient supply of fuel is a prerequisite for the continuation of hostilities against Japan. In conducting the Pacific operations, America must consider the long commissary line to the Pacific front. The distance between San Francisco and the Okinawas is 10,740 kilometers and that between the Mexican coast where the American oil refineries are and the Philippines is estimated at 17,600 kilometers, whereas the distance separating the United States from Britain is only 4,800 kilometers.

Because of the long commissary line, one tanker requires 2,100 barrels of oil to make a return trip from the Gulf of Mexico to the Pacific front whereas 8,000 barrels were sufficient to complete a return trip from Mexico to the European front. There is no doubt that with the progress of the Pacific operations, more fuel becomes absolutely necessary. Even though the consumption of gasoline decreases, the consumption of diesel oil and other kinds of fuel will increase.

In future, America must supply enormous quantities of crude and refined oil to the Pacific front. The longer the struggle against Japan continues, the greater will become the curtailment of civilian fuel supply.

TRAVELERS' RESTAURANTS

Opened Near Ueno, Tokyo and Shinjuku Stations in Metropolis

Restaurants for travelers with travelers' meal tickets were opened from July 21, the said restaurants being principally established near Ueno, Tokyo and Shinjuku stations in the metropolis.

Although meals may be obtained without previous notice at these restaurants, open from 6 a.m. to 7 p.m. the authorities request that persons dining at such places place their orders in advance, if possible.

Breakfast consists of one bowl of miso soup and pickles while the menu for lunch and dinner will consist of one dish or substitute dish, priced ordinarily at 50 sen but in case of smaller portions due to insufficient supplies, it will be lowered to 40 sen. Tuna fish, either raw or broiled, whenever supplied through the link ration system, will also be served on the menu at 80 sen.

More Training for U.S. Troops

The headquarters of the U.S. ground forces announced on July 20 that soldiers deployed from the European theater of war to the Pacific area will undergo extensive training, according to a Domei dispatch from Washington, received in Lisbon the same day.

The training of 44 hours per week will include general military drill and lectures on Japanese fighting tactics, Japanese war arms, the operation of various arms in use by the U.S. army, as well as on methods of prevention of tropical diseases, the report added.

Asks French Intervention

A note requesting the French Government to intervene in order to put a stop to the persecution of Greek subjects in northern Epirus was received from the Greek Government today and is discussed by the French authorities, according to a Paris report of July 22 received in Lisbon. A similar note was sent to the British Government.

JAPANESE COUNTERATTACK ENEMY FORCES ON BORNEO

Shock Units At Balik Papan Attack Base on Central Front And Kill 400 Troops

Special to the Nippon Times

SOUTHWEST PACIFIC BASE, July 23.—Japanese Forces at Balik Papan are now strongly counterattacking the enemy landing troops who appear to have prepared a positive offensive drive in an attempt to make a thrust into the first firing line.

A Japanese shock attack unit triumphantly returned to its base on July 19 after killing some 400 enemy soldiers on a battlefield in the central front.

On the following day, a unit of the enemy force headed by flamethrower units directed an assault at the Japanese position but was completely routed by heavy Japanese counteractions.

Aiding Japanese Troops
By S. SENDA
Of the Military Press Corps

SOUTH ADVANCE BASE, July 21.—To annihilate the American and Australian invaders in the Balik Papan area, the people of South Borneo are cooperating wholeheartedly with the Japanese Forces. Some are fighting on the first line side by side with the Japanese, and others are serving in the rear, supplying necessary materials to the fighting men.

Immediately following the landing of enemy troops on Tarakan the Japanese Forces began to evacuate non-combatants to places of safety. The evacuees were provided with living quarters and, moreover, were supplied with rice, salt and other foodstuffs. They were also given various kinds of seeds so that they would be able to take up farming. Up to June 10, some 60,000 native inhabitants had been evacuated.

The Indonesian youths of the volunteer corps are demonstrating a high fighting spirit. Some are eagerly helping in the task of repairing airfields.

4-POWER MILITARY PACT DESIRED BY CHUNGKING

No Concrete Steps Taken Yet But Considerable Repercussions Caused in Britain

By Arrangement with the Asahi

ZURICH, July 21.—The decision of the Chungking People's Political Council to propose a four-power military alliance among Britain, France, the Soviet Union and Chungking has caused considerable repercussions in Britain, according to the London correspondent of the Neue Zuercher Zeitung.

"As Chungking has not yet taken any concrete steps regarding such a proposal, it is impossible for the British Government to express its official attitude on the question, but considerable repercussions have been caused in London in this connection" the Swiss newspaper said.

"It is still unknown to what extent T. V. Soong, President of the Chungking Executive Yuan, had negotiated on the internal questions of China at Moscow. But, it is obvious that any third nation would not desire to interfere in a civil war of China even indirectly. If Chungking wants to enforce a strong diplomatic policy, it must first settle the controversy with Yenan. Chungking realizes this necessity for it recently withdrew its Central Army from Kansu Province which borders on the area controlled by the Chinese Communist Party. It is also a confirmed fact that Chungking-Yenan relations were discussed at Moscow. However, it is not known whether the Cairo Declaration was discussed there.

"Of course the Cairo Declaration is not the final decision regarding postwar East Asia—it merely clarified the basis for a discussion on East Asiatic problems after the war. On the other hand, the fact that the Soviet Union is planning to industrialize her East Asiatic territory proves that she is trying to find an outlet to the Pacific. The acquisition of an ice-free port for Siberia has ever been Russia's ambition, and in the discussion of the Soviet Union's East Asiatic problems, Chinese questions have to be concretely taken up.

"Therefore, before the materialization of Chungking's proposal for a four-power military alliance, Chinese internal problems and Soviet-Chungking relations must be clarified. At present, the relation between Chungking and the United States is very close, but Chungking believes it very difficult for the United States to form an alliance with the Soviet Union."

PATRON OF RED CROSS

His Imperial Highness Prince Takamatsu Honors Society

His Imperial Highness Prince Nobuhito Takamatsu has graciously accepted the recommendation of the Japan Red Cross Society to be its Patron upon obtaining the sanction of His Majesty the Emperor. His Imperial Highness succeeds the late His Imperial Highness Field Marshal Prince Kotohito Kanin in this honorary position. The Red Cross Society on July 23 announced that it recommended His Imperial Highness for its Patron on July 21.

COMMENDATION AWARDS SET FOR ACTS OF MERIT

Deserving Persons in Various Fields Will Be Given National, Local Honors

To bolster the people's morale, the annual commendation of those who have rendered outstanding services to the nation in various fields will be conducted on a large-scale, in accordance with the decision reached at the Cabinet meeting on July 20.

Prior to the issuance of commendations, the Regional Governors-General and Prefectural Governors will be requested to make thorough investigations as to those who deserve commendation. Further, in accordance with the Extraordinary Commendation Regulations, the granting of awards will also place in regional districts also. The commendation ceremonies are scheduled to take place sometime in October.

In this connection, the Board of Information announced as follows on Monday.

With a view to further bolstering the people's morale at this critical stage of the war, the Government has decided to commend, on a larger scale than in previous years, those who have rendered meritorious services in various fields.

The Ministries are to request the Governors-General and Prefectural Governors to investigate thoroughly as to those deserving commendation. In accordance with the Commendation Regulations, the investigation is to be conducted in wide areas so that none who is qualified to receive awards will be left out.

Following the investigations, awards will be made in each case according to the degree of merit of the achievement, and, in addition, supplementary awards will be granted whenever deemed necessary. Besides the awards granted at the central office, the Governors-General and Prefectural Governors, with the Extraordinary Commendation Regulations as their authority will also commend those whose services have been acknowledged.

The commendation activities will be conducted in October.

11 SHANGHAI RAIDERS HIT

100 Enemy Bomber and Fighter Planes Strafe Air Bases

A mixed formation of about 100 enemy bomber and fighter planes again appeared over the Shanghai area from 11 a.m. to 3 p.m. on Sunday, principally carrying out strafing attacks on airfields near Shanghai and important facilities at Whangpoo.

In the counterattack, the Japanese shot down four and damaged seven of the invading planes.

Sato Relieved of Post

Embassy Counselor Toshito Sato was relieved of his post at his own request, it was announced by the Cabinet under date of July 23. Judge Jiro Shimazu of the Supreme Court was appointed departmental chief of the same Court under date of July 23, it was announced by the Justice Ministry. Simultaneously, Judge Shimazu was relieved of his post at his own request. Hiroshi Miura, secretary of the Justice Ministry, was appointed procurator of the Tokyo Appellate Court the same day.

Poilus Evacuate Barracks

French troops are now evacuating their barracks all over Syria, and Syrian forces are moving in to take their places, according to a Damascus report dated July 22 received in Zurich. It is expected that the change-over will be completed by the end of the month.

Lebanese, Syrians Confer

Lebanese Prime Minister Karamen and Foreign Minister Henry Pharaon left Beirut today to confer with the Syrian delegates who recently returned from the United Nations Conference held in San Francisco, according to a Beirut report of July 22 received in Berne today.

ENEMY FLEET CONTINUES OPERATIONS OFF JAPAN

Aims to Smash Japanese Air Power, Munitions Plants, Transport Setup

The enemy fleet is still operating in the waters near Japan as evidenced by the appearance of eight destroyers off the southern tip of Boso Peninsula late on Sunday night when a 20-minute battle ensued with the enemy warcraft and Japanese warships convoying transport ships.

Hand in hand with the intensified air attacks on the mainland by enemy planes based in the Marianas, Okinawas and Yiojima, the enemy fleet is aiming to smash Japanese air power, destroy munitions plants and disrupt the transportation setup.

Not only this, but the enemy is vainly resorting to sundry means of propaganda. He is boasting of the continued operations of the U.S. fleet in the waters near Japan and is also trying to alienate the people from the army, besides designing to draw out the Japanese fleet.

However there is very little efficacy in their propaganda. As revealed by the spirit that inspired the special attack planes in the Okinawa operations, the enemy designs will only end in a war of attrition.

Shimomatsu, Ube Raided

Approximately 60 B-29's attacked Shimomatsu and Ube late on Sunday night. Part of the enemy planes dropped mines in the Kwanmon Channel.

At about 8:30 p.m. the same day, seven B-29's operated over the Japan Sea for about four hours.

For 30 minutes from 1:30 a.m. on Monday, six B-29's penetrated Fusan by way of the Bungo Channel and Shimonoseki. They dropped mines. Seven other B-29's, coming by way of Kochi and Matsue, operated for 20 minutes over Rashin from about midnight the same day. They also dropped mines.

DOWNED U.S. FLIERS SAVED

American Rescue Planes Pick Up 600 From Sea in 6 Months

Revealing the frantic efforts of the U.S. air force authorities in the work of rescuing airmen whose planes are compelled to make forced landings, the U.S. Pacific Strategic Bombing Headquarters made the following statement on July 19, admitting the great losses suffered in the air raids on Japan says a Domei dispatch from Lisbon dated July 21:

During the last six months, American rescue planes based in the Marianas picked up more than 600 airmen from Japanese waters. Most of them were crew members of B-29's which had crashed into the sea. Besides those, several thousands were compelled to make forced landings on Yiojima.

According to reports 68 per cent of the airmen whose planes were downed within the Japanese defense area were rescued by aircraft in co-operation with surface craft. In order to rescue one airman, an average area of 3,200 kilometers must be searched. During the last six months, American scout planes flew over a distance of 2,016,000 miles in search of stranded airmen.

ORDINANCES PROMULGATED

Three Imperial Ordinances and one Finance Ministry Ordinance have been promulgated to adjust the taxation system according to the Wartime Emergency Measure Law, to become effective on August 1.

The three Imperial Ordinances announced are the Imperial Ordinance for adjusting Taxation System according to the Wartime Emergency Measure Law, the Imperial Ordinance for adjusting Taxation System in Karafuto, and the Imperial Ordinance for Revising the Regulations for Enforcing the Income Tax Law and another Imperial Ordinance for Enforcing the Imperial Ordinance for adjusting Taxation System according to the Wartime Emergency Law.

Chiang to Visit U.S.

General Chiang Kai-shek is expected to visit the United States late this year to confer with President Truman and other high American officials, according to a Chungking report dated July 22 received in Lisbon.

Horomushiro Isle Shelled

Several enemy warships of unidentified category carried out a one-hour bombardment against the coastal area of [illegible] Bay in Horomushiro Island of the [illegible]shima group from [illegible] a.m. [illegible]day.

ENEMY HANDBILLS FAIL TO IMPRESS JAPANESE

Full of Fallacies Due to Ignorance of History, Current Conditions

When the enemy started to drop literature, mostly handbills from planes over Japan, the people were interested to the extent of saying to themselves that he was at one of his old tricks, writes the Mainichi, continuing:

As the enemy persisted in his "demoralizing" efforts by means of these "paper bombs" the people lost all interest. There have been more than 20 "paper bombs" so far dropped by the enemy over Japan; what has the enemy got in return for the price he paid for them? He has only made himself the object of derision to the people of Japan. His performance has only served to increase the people's hatred for him.

Here are some of the contents of the handbills, a good knowledge of which will serve to enable us to see through the enemy's design to demoralize us and to strengthen our resistance to his thought offensive.

The handbills in most cases bear fixed inscriptions made for purposes of propaganda. They have a variety of objects. But, whatever the purpose, they have not interested the people.

On May 30 and June 22, the enemy dropped over Tokyo Metropolis quantities of handbills showing a structure, apparently in an unstable condition with a corner resting on the shoulder of a man whose leg was tied to a rope at which another man was pulling energetically. The man supporting the corner of the building represented the people and the man pulling at the rope, the soldiers and officials. On the reverse side was the inscription: "No one will run from his own house when it is in danger of crashing down. The thing to do is to repair the house before it crashes." Its object was apparently to sow dissension between the people and the fighting forces.

Psychology Ignored

It is evident that the enemy has a poor opinion of the attitude of the Japanese people toward the war, of a people who are unalterably resolved to carry through to the end as one man. It is another instance of the enemy's utter ignorance of the character of the people of, and conditions in Japan—facts which will be revealed to anyone who takes the trouble of having a look at the history of the country since its foundation.

No wonder the people had a big laugh at this demonstration of ignorance.

Another handbill had as its object the development on the part of the people of apathy toward the war and hatred of the idea of continuing the struggle. This objective has been particularly noticeable among the handbills. The particular handbill was dropped over Japan toward the end of May. It evidently hoped to impress the Japanese with the vastness of the material resources the enemy has at his command. On one side was a photograph of an enormous aircraft carrier in course of building. The explanation said that the picture was a true representation of an American shipbuilding yard. On the reverse side, was a picture of a man standing among bombs, planes and warships. In his mouth were put words to the effect that, like a juggler, he could produce endless bombs, planes, and naval vessels. It is plain that the purpose here was to impress the reader with the enemy's power for producing war materials, thereby to induce opposition to a continuation of the war.

Another handbill had the inscription, "Disease accompanies war." On its face was a man, representing the Japanese people, sprawled atop a huge heap of human corpses and bones. Man has a great dread of disease; this fact was in the mind of the enemy when he made this handbill, hoping to generate anti-war ideas among the Japanese people.

Many of the handbills are intended to produce a condition under which the Japanese people would come to have a longing for peace. They give expression to exaggerated ideas of the ravage wrought by war and the misery which is the lot of warring peoples.

To Mitigate Animosity

The handbills have another object. The enemy hopes to diminish the hatred borne by the Japanese toward the Americans. One such handbill was dropped by the enemy over Japan on June 16. It had the inscription, "The Americans are kind-hearted." To illustrate this contention it had a photograph of defeated Germans faces radiating joy, receiving the protection of Americans. Without a doubt, the picture was not genuine. The handbill was designed to produce an impression that the inhabitants of Germany under American occupation were receiving liberal treatment. Its ultimate object was to make the Japanese come to regard the Americans with less violent hatred and to make them show a disposition to favor peace.

What is the actual state of things in the enemy country which is so impatient to develop among the Japanese hatred of the idea of continuing the struggle and a disposition to favor peace? Is it not that it is becoming increasingly difficult for America to get its people to show [illegible] interest in the war of which they are getting weary with a rapidity which is so disconcerting that the authorities are at a loss how to cope with the situation?

The Japanese have difficulties. But they are the last to allow themselves to be overcome by such difficulties which they regard as bound to arise in the course of a struggle like the present. They are prepared for further and by far greater difficulties, and have made up their minds that nothing under heaven shall stand in the way of their continuing the war until the enemy has been crushed. They are a people whom the enemy can never hope to cower with a display of his productive power. it may be hard for them to catch up with the Americans in production, but all the disadvantages they have are counteracted by the fact that there are among them endless men who are ready, as human bombs and as members of the Special Attack Corps, to die for the country.

Hypocrisy Revealed

The enemy talks of humanity and justice. But he will not get a hearing from people who know that he is the one that makes no scruples about acting contrary to the very principles he professes. A good example of the enemy's to practise the principles of humanity is furnished by his behavior is defeated Italy, where few men capable of labor remain, all the others having been sent by the enemy to work in the development of desolate and barren lands in New Guinea and other countries and where there are few women who have not been assaulted by men of the occupation army. the truth of this American barbarism is attested to by the fact that the 800,000 American soldiers on the European continent had attacked as many German women in occupied Germany before the fall of Berlin. The enemy has been talking of exterminating the Japanese race and he means to do so. Such is the enemy the Japanese people have to deal with. They cannot have too violent a hatred for him. There is no way to crush him except by hating him violently and throwing ourselves in a body against him.

Among the handbills which have lately been dropped by the enemy over Japan, was one with a ¥10 note printed on one side and with propaganda literature on the other side. The purpose of the enemy in dropping this handbill was not to disturb the economic life of the Japanese; the printing of a ¥10 note on one side was for the purpose of arousing greater interest, on the part of those who picked it up, in the inscription on the other side. The inscription was of a nature calculated to bring about an estrangement between the people and the fighting forces. It was intended to produce an impression that the fighting forces and officials were to blame for the mounting tendency of prices in Japan.

It is true that prices have risen in Japan. But they are not so high as to impress one with the fact that Japan is in the midst of a war. Materially the lot of the Japanese is far from hard. The Japanese are relatively more happy materially in several respects than they were before the outbreak of the war, when there were people, though in a small minority, who were hard put to it to maintain a proper standard of life. Is it not that thanks to their own efforts the Japanese are in a position to get their supplies of rice at official prices which are not higher than they were in the prewar days. Certainly the people have good reason to thank themselves that they are in a country which is always assured of rich rice harvests.

A recent handbill was a piece of paper printed like a miniature newspaper and calling it itself the "Mariana News." This "newspaper" was dropped for the first time on May 30. There was, above the title, a number. It was plain that it was a sort of handbill, although it was made to appear that it was prepared on Mariana Island as a newspaper. There was in the handbill a "foreign dispatch," from London, telling of the latest conditions in Europe as seen by the enemy. There was a story on the latest situation on Mariana Island, written in the manner of a news item with the idea of producing an impression on the reader that there survived on the island Japanese people and that these Japanese are under the care of America. There was another story, the purport of which was to show that the Japanese inhabitants of the island are living under a self-governing body organized by them, and there were printed the names of persons who were in high positions in the self-governing organization.

Not Printed on Marianas

As has been stated, there is material evidence to show that the handbill was not printed on Mariana Island.

The "News" filled with reports of things that exist only in the imagination of the enemy, is another instance of the doggedness with which he is working to engender in the Japanese a desire to see the war brought to a speedy end by the defeat of Japan, through the dissemination of reports favorable to him.

The "News" had "dispatches from neutral countries," designed to help to create conditions favorable to the enemy in the promotion of the end of demoralizing the Japanese. Happily the Japanese are so enlightened that none of them will believe what the enemy tells them in such vehicles as the "News."

If a baseless report gains currency, it is because it is made up of a truth, a half truth, and a lie. The enemy knows this, hence his editing of the "News" in a manner which he hopes will make the reader believe what is said in it.

The attitude of one toward enemy handbills like the "News" should be that which one would adopt toward a newspaper known to be published by the enemy, that is a newspaper which is limited to the publication of only those reports which are favorable to the enemy.

It is already generally known that the enemy has dropped objects with explosives in them. One of them was a toy representing a tree-frog. It was so made that the moment a hand touched it exploded.

Not all the objects which were dropped by the enemy were dangerous. There were soaps and towels of excellent quality, which were absolutely harmless things, the enemy's idea being to recall to the Japanese the prewar days when there was no difficulty in obtaining these things and to cause dissatisfaction with wartime conditions.

PETAIN MAINTAINS SILENCE AS TRIAL BEGINS IN PARIS

Defense Plea That Court Is Incompetent to Judge Case Is Rejected

Philippe Petain, 80-year-old marshal of France and defender of Verdun, whose trial on a double charge of plotting against the internal security of his country and of intelligence with the enemy began in the historic Palais de justice at Paris on Monday, after the reading of the indictment said, "This court does not represent the French people. I will reply to no questions," says a July 23 Domei dispatch from Lisbon, quoting a Paris dispatch by Reuter's special correspondent Montague Taylor.

In the marshal's full dress uniform, with a single medal that he won at Verdun pinned to his chest, Petain rose and, in a firm voice, read a statement announcing his intention to maintain silence. "It is the people of France who gave us power and I have come to render my account to the people," he declared. "While General Charles de Gaulle continued to struggle I prepared for liberation, keeping together the wounded but living France. If you condemn me you will condemn an innocent man."

Incidents in the courtroom led to a suspension of the hearing and the court was cleared less than three hours after opening. The argument by Petain's counsel that the court was incompetent to judge the case and that the Marshal could be tried only by the Senate under the 1875 Constitution was rejected.

Andre Mornet, 75-year-old Public Prosecutor, who intends to demand the death sentence for the aged Marshal, retorted that it was impudent for Petain to claim the protection of the Constitution of the Third Republic which he had 'progressively suppressed.'

After rejection of the defense plea, the court adjourned for a short recess. As Petain was being removed, a young one-armed ex-serviceman went up to him, seized his hand and kissed it.

Over 1,000 armed police, gendarmes and firemen are on guard inside and outside the building where the trial is taking place. As added precaution against any attempt to free Petain, the entire Palais de Justice, with its courtrooms, miles of corridors and offices, was emptied on Monday except for the wing in which the trial is being held.

ITALIAN PREMIER IN SICILY

Italian Prime Minister Ferruccio Parri today arrived in Sicily to confer with leading men on the island about the political and economic situation, according to a Rome dispatch dated July 22 received in Lisbon.

Another dispatch said that the Italian High Commissioner of Sardinia reports a grave food situation there, declaring that the harvest been has been an almost total failure and there are serious outbreaks of disease among the livestock.

Italian Prisoners Revolt

The prisoners revolt in Rome's antiquated Regina Carelli jail which began on Saturday continued on Sunday and indications are that it may become more violent by nightfall, a Reuters dispatch from Rome reaching Lisbon disclosed on July 22. Over 2,000 criminals who have broken into the corridors are reported to have been surrounded by the police and authorities state that all measures to quell the outbreak have been taken. Three persons were injured on Saturday night when the police fired intimidatory shots toward the prison roof.

PLANS TO UP FOOD OUTPUT

State to Cultivate 250,000 Acres by Mobilizing Students

For increased food output, the Government has decided to cultivate 250,000 acres of land by mobilizing 1,550,000 students through the year. Relative to this a preliminary meeting was held on Thursday under the joint leadership of the Education and Agriculture Ministries when it was decided that a short course of principals and two teachers in charge of service duty from each school to be mobilized according to the various prefectural governments will be held for two days from July 29 and concrete plans as to mobilization, land, acquisition of tools and seeds drawn up.

Steps have already been taken in procuring 500,000 sets of implements such as hoes and scythes and it is expected work will start early in August.

ICKES WARNS AMERICANS OF COMING FUEL FAMINE

Asks for Reduced Consumption In Readiness for Scant Winter Rations

United States Secretary of Interior Harold Ickes warned Americans on July 20 to prepare for the worst fuel shortage of the war this coming winter, according to a Washington dispatch to Lisbon.

Ickes, who is also Solid Fuel Administrator, has asked the Fuel Conservation Directors of 25 states to launch local drives immediately to assist homes and other building owners in keeping people warm this winter on scant fuel rations.

Ickes declared that millions of Americans in the eastern half of the country will have to cut down on the fuel they normally consume. He said that arrangements had been made for banks to make loans on easy payment terms for fuel conservation improvements when financial assistance was needed.

Ickes also announced that the United States is going to try to ship 6,000,000 tons of coal to Europe between now and the first of January. He said that Europe must have coal without loss of time, if serious social and political upheavals were to be prevented. He termed the need for fuel in Europe "a race between cold and amity."

His statement said in part: "I do not think that it is going too far to say that a coal famine of such severity as to destroy nearly all semblance of law and order is certain to occur in certain countries of Northwest Europe this winter, unless immediate and drastic action is taken now." Then he added: "I do not want the lives of any North American soldier in our army of occupation to be endangered by frenzied efforts of the people of Europe to keep from freezing this winter."

Backs U.S. Participation

The United States participation in the United Nations Food and Agricultural Organization was approved in a bill passed by the Senate today, according to a Washington report of July 22 received in Lisbon. The measure has already been aproved by the House of Representatives and will be flown to Potsdam for President Truman's signature. It stipulates that the United States provide $625,000 during the first year of the Organization's work and $1,250,000 each year thereafter.

Marcelle Soleri Passes

Marcelle Soleri, Italian Minister of the Treasury, died suddenly in Berlin on Monday, according to a July 23 Lisbon dispatch quoting a Berlin report. Soleri, aged 63, was the trusted lieutenant of Giovanni Giolitti, one of Italy's last Premiers before Fascism. Soleri went into retirement during the Fascist regime, emerging recently as a prominent member of the new Liberal Party.

Kwangchow Governor Named

The Kwangtung Provincial Government, Canton, has established an administrative district in the former French Kwangchow Bay Leased Territory simultaneously with the taking over of the territory by the National Government of China, says a Canton dispatch to Domei dated July 21. Chen Hsueh-tan has been appointed Governor of the new district.

U.S. Demobilizes Troops

The U.S. Army Department is demobilizing 4,000 soldiers returned from the European front daily. Up to the present 200,000 have already been discharged, according to a statement made by Undersecretary of War Robert Patterson on July 21, reports Domei quoting a New York dispatch from Lisbon the same day.

U.S. Minesweeper Lost

The U.S. Navy Department on Saturday announced the loss of the motor minesweeper YMS-84 in the Borneo area from army action, it is revealed in a Washington dispatch reaching Lisbon.

POLAND TO BOLSTER TIES WITH BIG THREE POWERS

Moravsky Also Says His Government Will Do Best to Reach Accord With Czechs

Polish Prime Minister Eduard Osobka Moravsky said in Warsaw Sunday that Poland was out to strengthen her relations with Britain, the United States and Soviet Russia and to support the continued close alliance with the three great powers which, he said, was a guarantee of world peace and democratic development, according to a Warsaw dispatch relayed from Stockholm.

The Polish Government of National Unity would also do all in its powers to reach complete understanding with Czechoslovakia, particularly with the view to a friendly settlement of Poland's claim to part of Silesia, Moravsky added.

On the homeward side, he said that the greatest need was to bring back all the Poles scattered all over the world and to hold local and parliamentary elections. The provisional government also aimed to raise agriculture to a still higher level, to restore prewar industries and build new ones, and to improve education.

Paszkiwitz Dismissed

General Gustav Paszkiwitz, second in command of the Polish corps in Britain, on Friday was summarily dismissed from the Polish Home Army because he had announced that he recognized the authority of the Polish Provisional Government of National Unity in Poland, it is disclosed in a London dispatch reaching Lisbon. He is stated to have been deprived of all rights and privileges as a general of the Polish army and to have been ordered to hand over his army documents and to consider himself a civilian, the report stated.

In Polish circles in London which support the new Warsaw Government, his dismissal is regarded as an attempt by the government to intimidate those Poles who want to return to Poland, the report added.

ALLIES SET TO WIPE OUT BLACK MARKET IN BERLIN

Take Steps to End Threat to Civilian Rationing Plans, Price Control

Four Allied commanders in Berlin have decided to take joint action to check the black-market activities which have recently grown to alarming proportions, says a Reuter report from Berlin reaching Lisbon.

Attention of the "Kommandantur" was drawn to the gravity of this problem by General Floyd L. Parks commanding the American zone who urged that coordinated steps be taken immediately to wipe out these activities. It is reported that the British, Russian and French commanders immediately agreed to Parks' proposal, and provost marshals from the four Allied commands met to elaborate the joint plans.

It is reported that the measures agreed by them have already been enforced, and the German police will operate in the black-market drive under the direction of the Allied military authorities.

Presumably, the chief concern of the Allied authorities, Reuter added, is to stop the wholesale leakage from Allied supplies and rations which would result in a serious disruption of the German civilian rationing schemes and price control. The gravity of the problem is aggravated by the certainty that Germany's and Berlin's supply crisis will be a prolonged affair so that the black market, if it really takes hold, is likely to outdo in scale and complexity anything that has yet been seen in the liberated countries, the report said.

The Reuter report added that it is too early to forecast whether it will prove possible to nip in the bud the wholesale drift into the black-market, but at any rate Parks' action has usefully drawn attention to one of the potentially most dangerous German economic headaches which the Allies will have to face.

Without fear of contradiction, the report said, it may be stated that everybody is involved in the black-market. It is a common sight to see Russian, American or British vehicles surrounded by Berliners briskly bartering anything they have handy. The Russians particularly are interested in watches and the British and Americans in cameras. General interest is in foodstuffs, however.

New Altitude Record

The Lockheed Aircraft Company announced that a P-38 Lightning fighter plane of its make established a new altitude record of the United States on the night of July 19 when it reached an altitude of 44,940 feet by using a new compressed oxygen mask, a New York dispatch as relayed by Domei from Lisbon on July 20 reported.

More Enemy Atrocities

Again revealing the atrocious nature of the enemy air force, some B-24's and P-38's machinegunned and attacked with incendiaries the detention camp at Macassar, Celebes, which is sheltering some women enemy nationals sometime after 11 a.m. on July 17 causing some casualties, according to a Domei dispatch from Macassar. Again two days later, one B-29 appeared over the camp and with bombing attacks blasted the nearby buildings except the headquarters of the detention camp and the national school building.

WOODEN PLANE OUTPUT SLATED TO BE INCREASED

Plans Set for Large-Scale Production to Meet Increasing Demands

In order to meet the increased demand for aircraft, many wooden planes will be constructed under the guidance of the Munitions Ministry.

To increase the production of wooden aircraft, a special section is to be set up within the Aircraft General Bureau of the Munitions Ministry, and by means of fully utilizing timber available here, wooden planes will be built on a large scale.

More than 70 per cent of Japanese territory is covered with forests and particularly in the northern area, beech, cypress, cedar and Paulownia trees are abundant. However, in view of the acute necessity of new timber for building houses, cedar ceiling boards of "dispersed" houses and bamboo will also be used.

In the production of metal aircraft, large amounts of rivets are needed, but in building wooden planes glue is indispensable. As glue, casein extracted from soy beans and milk and resin mixed with carbolic acid are being used, but as a new kind of glue, powdered blood extracted from cows, pigs and rabbits has been found as good as any other kind of glue. Therefore to assure a sufficient supply of animal blood for the manufacture of this glue, stock-raising will be encouraged in cooperation with the Agriculture and Commerce Ministry.

To bolster the production of wooden aircraft, technicians who have been hitherto engaged in the task of constructing vessels will be transferred to aircraft plants. Steps will also be taken to assure the acquisition of the necessary equipment.

Iran Recognizes Poland

The Iranian Government officially recognized the Polish Government of National Unity, according to an announcement issued by the Persian Ministry of Foreign Affairs on Monday, according to a July 23 Lisbon dispatch. The Persian Ambassador at Moscow has been instructed to inform the new Polish Government of this recognition.

More French Embassies

French Legations in Warsaw, Prague, Belgrade, Athens and Mexico City will be raised to the rank of embassies, the French Government announced on Sunday, according to a Paris dispatch reaching Lisbon reports Domei.

French Writer Dies

Paul Valerie, veteran of French literature, who as poet and critic achieved the pinnacle of success, died in Paris on July 20 at the age of 74, according to a Domei dispatch of the same day from Paris relayed from Zurich. Valerie had been a member of L'Academie Francaise since 1925.

Masaryk Returns Home

Jan Masaryk, former Foreign Minister of Czechoslovakia, returned by plane to his homeland after seven years' absence, according to a July 23 Lisbon dispatch, quoting a New York report.

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FOUR HOKKAIDO CIVILIANS HONORED FOR BRAVERY

All Killed Including 2 Girls by Enemy Raiders While at Lookout Posts

An award of merit was granted by Governor Kumagaya of Hokkaido to Yasuzo Nakayama who on lookout duty at the time of the raid by deck-borne planes on Hokkaido on July 15 was seriously injured in performing his duties, and to three others, Takeshi Yamada, Miss Suzuko Hayashi and Miss Haru Takeda who were killed at the same time.

Mr. Nakayama, 28, on reporting the penetration of a formation of 10-odd Grummans about 11:30 a.m. on July 15, was hit and seriously injured. In spite of which he continued at his post lookout until he finally collapsed and died.

Mr. Yamada, 19, also on lookout duty, was hit through his abdomen. While relaying the news of the discovery of enemy planes by telephone, he succumbed.

Miss Hayashi, 16, who ever since her graduation this spring had been detailed to lookout duty, was strafed by enemy planes. Trying to stop the flow of blood from the bullet which pierced from her shoulder to her chest, she faithfully reported intelligence of the enemy but died in so doing.

Miss Takeda, 20, who had volunteered for service, was hit by a bullet from enemy machineguns in reporting the formation of over 10 Grummans and met death in fulfilling her duties.

Hanshin Worker Honored

Posthumous honors were conferred on Akihiko Nakamura, 48, rolling stock worker of the assembly plant of the Kinki Nippon Tetsudo K.K., who died bravely fighting incendiary bombs which fell all over his works when the Hanshin area was raided by enemy planes on June 15.

Sonesuke Nagasaki, Vice-Minister for Transportation, presented the award to the acting president of the Kinki Nippon Tetsudo K.K. on behalf of the Railways General Bureau of the Transportation Ministry on July 21.

Mr. Nakamura had worked in the rolling stock sheds for over 20 years, was exerting himself in the checking and assembling of rolling stock and had kept to his post although he sustained burns when the works were bombed on June 1.

Researches in Gumma

The Gumma Prefecture Agricultural Association will make use of chemists and technicians who have evacuated here to carry on various researches. The first research laboratory will study the manufacture of pine root oil, starch and condensed milk and the use of their by-products and make investigation of various substitute foods, fodder and herbs for medicinal purposes. The second research laboratory will in the main make a study of and manufacture on trial, various farm implements and expend efforts for increased food and forestry products for war use.

Noodles From Sea Weeds

Niigata Prefecture is behind the move to produce in quantity noodles made from sea weeds. About 20,000 kan of sea weeds, rich in calcium and protein will be gathered in Sado, Iwabune and Mishima in this prefecture. These will be dried, pulverized and mixed with flour to make the noodles, which can be eaten directly with the addition of hot water.

Karafuto Fishing Good

An all-time high record for fishing in recent years is being achieved in the Shikuka regions in Karafuto despite dangers from enemy submarines while for the restoration of Kaihyoto recently bombarded by the enemy, special corps will be dispatched for catching otters.

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Nippon Seijikai Meets

The Dai Nippon Seijikai held a meeting on Friday in the House of Representatives with [illegible] Director-General, and others present. The meeting again requested that steps be taken for the immediate abolishment of fixed prices on fresh foods, as suggested before by the organization to the Government. At the same time a decision was reached to set up an Okinawa branch of the Dai Nippon Seijikai in joint cooperation with the Government so that matters relative to the people of Okinawa might progress smoothly.

JAPAN SAID TO POSSESS HIDDEN FIGHTING POWER

Enemy News Scribe Warns Nippon's Vast Resources of Strength Must Be Crushed

That Japan still possesses considerable hidden fighting power was the warning given the American public by CBS special war correspondent Edwards broadcasting from Guam on July 19, according to a July 20 Domei dispatch from Lisbon. Speaking in connection with the recent air attacks and shelling of the eastern coast of Japan Proper by an American task force recently, Edwards said.

"The Allied fleet, after attacking the Tokyo district with carrier-borne planes, shelled Hitachi. I believe that this is leading many people to consider that a crisis has appeared in the fighting around Japan. We, however, consider it but the lifting of the curtains on the crisis that Japan will face in the future. We have pushed our way over vast distances in order to reach Japan.

"Despite the continuous great offensives, the work has only begun. Recently, B-29's have been launching successive incendiary bombing attacks and Japan has even been shelled, but Japan still possesses vast hidden resources of strength. According to Admiral Chester Nimitz we are trying to establish a firm blockade of Japan in order to crush this hidden war power of Japan.

"As Major General Barney Giles, Vice-Commander of the Tactical Air Force, says, the 8th Air Corps under the command of Lieutenant General James Harold Doolittle, will double the intensity of the tactical bombing attacks against Japan by launching new operations from the Okinawa Islands soon. Major General Giles says that 3,000 army and navy planes can be mobilized for the launching of attacks on set areas in Japan. General Henry Arnold, Chief of the U.S. Army Air Force, is pointing out that the bombing objectives recently are the industrial areas of Japan. The coming developments will show the actual value of the Okinawa Islands for the offensive against Japan in the future."

Fencers Organize Corps

The Gumma Prefecture Fencing Association has formed a National Shimbu Shock Attack Corps among the fencers who, fired with the thought that their years of learning the art of fencing have been but in preparation for this day, are continuing training so that their fencing skill may be of use when given the opportunity to strike the Anglo-American enemies.

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CHINA PROBLEM ASSUMES NEW IMPORTANT NATURE

Relations Between Chungking And Moscow With Regard to Yenan Are Discussed

(This is the second installment of a round-table talk held by the Mainichi Shimbun to discuss the situation in China.—Editor)

(Part II)

Tanaka: At the Stalin-Soong talks, the adjustment of relations between Chungking and Yenan, and the question of establishing a coalition government, which is inseparably related to the former, are believed to have been the main points of discussion. It is not thought that representatives of the Yenan regime directly participated in the talks. But the Yenan Regime sent its representatives to Moscow in order to set forth its position concerning cooperation with Chungking. This no doubt had close bearing on the Soviet attitude during these talks.

Aside from the question of Chungking-Yenan adjustment, the problems of Mongolia and Manchuria are believed to have been discussed. Just at the time of Soong's visit, the Premier of the People's Republic of Mongolia was also in Moscow. It is significant that about a month ago Chungking newspapers suddenly declared that Outer Mongolia was Chungking territory, as if revealing a new fact, and that at the People's Political Council now meeting at Chungking, War Minister Chen Cheng said that Manchuria was inseparable to China.

Whatever Chungking may say, Outer Mongolia is de facto an outer territory of the Soviet Union, furthermore, Chungking had long remained silent on the status of Mongolia. Chungking's sudden declaration that Mongolia was Chungking territory may be interpreted as an attempt to utilize it for bargaining purposes in the negotiations with the Soviets. It may also be observed that these developments were utilized in some form or other in the intrigue regarding a Soviet-Chungking understanding as called for by the world policies of the United States and Britain; it is also possible that the United States and Britain will sacrifice the interests of Chungking in order to arrive at a compromise with the Soviets in greater problems of their world policies.

It should be borne in mind that America and Britain do not have to bear any responsibility for decisions arrived at in a Soviet-Chungking conference; further, they are able to utilize Chungking in exercising pressure which otherwise they would find it difficult to force on Moscow because of their relations with the Soviets.

Murakami: The question of Yenan-Chungking harmony remained unsettled despite the mediation of the United States. Thus it seems the idea was that it would be better to negotiate with the Soviets who have considerable influence over Yenan. Chungking feels seriously menaced by Yenan and its Soviet supporters. The United States also feels uneasy about the future attitude of the Soviet to China questions. The question of adjusting relations between Chungking and Yenan will probably be discussed at Moscow with these facts in the background.

At the Stalin-Soong conference, the Soviets probably stressed the importance of establishing a coalition government as proposed by Yenan. But, if Chungking were inclined to listen to Yenan's demand, there would be need of bringing the matter to Moscow. If this question was brought up at the Stalin-Soong conference, it must be observed that Chungking hoped to arrive at an understanding with the Soviets' mediation by offering some other enticement. In any event, any understanding between the Soviets and Chungking regarding various Chinese problems would necessarily include this question of a Chungking-Yenan coalition government which is a requisite of internal unity in anti-Japanese resistance, and on which the world's attention is focussed.

Tanaka: Let us first talk of the present stage of the Chungking-Yenan relations. The relations between the Chungking Kuomintang and the Communist Party at Yenan may be likened to those between water and oil. Their confrontation began at the time of Sun Yat-sen's first joint operation with the Communist Party. In the midst of the Revolutionary War against the North, the resistance period started with the betrayal by Chiang Kai-shek, as his act is called by the Communist Party. With the Sian incident at the end of 1936, not only did Chiang's oppression of the Communist Party become impossible, but also Kuomintang-Communist cooperation was effected at the initiative of the Communist Party. Then came the China Incident. Viewing the under-current flowing below the relations between the two regions, a real confrontation gradually developed, and now there is no room for a compromise. For unifying China through Chungking-Yenan cooperation and for mobilizing the strength afforded by such unity for the anti-Japanese war, the United States tried hard, even going so far as to declare that the cause of the failure to bring the two factions together lay in the attitude of Chungking.

Last year the Chungking-Yenan negotiation for compromise continued for five months with the American oppressing Chungking and aiding Yenan. The demolition of Kuomintang's one party despotism and the recognition of the Communist Party as a lawful political party, were discussed, as was also the establishment of a coalition government. But no understanding on these important points was reached.

Since the breaking up of these negotiations, the relations between Chungking and Yenan became worse. The United States gave up her former policy of utilizing Yenan and decided to support Chungking alone. That is to say, American Ambassador to Chungking Patrick Hurley returned home and conferred with the White House on various Chinese questions after which he announced that the United States would aid Chungking alone. It was of course Chungking that the United States had ever been utilizing, knowing that Yenan was an enemy to her future activity in China. But she had to clarify her attitude toward Yenan, as she had recognized in Yenan only its value in the anti-Japanese war. Also there was an international factor that the United States could utilize Yenan because of the Soviet-Yenan ties. These facts appeared in Hurley's announcement. They also explain why the attitude of Yenan became strong.

The new situation caused by the downfall of Germany and the ending of the European War meant that East Asia, and particularly China, had become the center of gravitation for the playing of international influences. Yenan, therefore felt the necessity ca the United States, as well as for combating increased pressure by Chungking aided by America. The most fundamental development was Yenan's recognition of the extreme increase of its influence through the China Incident and the War of Greater East Asia.

Chungking's despotism began to waver. There was talk of "democratization." Even in Chungking itself the Kuomintang regime came to be highly criticised.

Thus, because of internal and international conditions, the Chungking regime has been forced to consider changing its political structure. Thus has Yenan been given the confidence to launch a political offensive for leadership in China. Therefore, has Yenan's insubordinance to Chungking been recently aggravated.

This is the background that forms the new stage in the Chungking Yenan controversy. Yenan has strengthened its demand for a coalition government attacking what it terms, Chungking deception. Mao Tse-tung and other Yenan leaders, severely criticizing Chiang, refuse to send any delegates to the People's Political Council now in session; they have also announced that no representatives would be sent to the coming People's Congress.

Yenan has decided to hold its own meeting of the people's representatives on November 12, at the same time as the National People's Congress is convened by Chungking. It is also determined to establish its own coalition government with the participation of all political parties, it is reported.

Murakami: The greatest problem between the Chungking Kuomintang and the Communists is now the question of establishing a coalition government. What is really meant by a coalition government? Briefly it means that Yenan would occupy a position of equality with Kuomintang in the government both in name and in fact. If Chungking agrees to this proposal, it will have recognized Yenan legally and the one-party politics of the Kuomintang will disappear. Therefore, the establishment of the proposed coalition government would not mean merely that Communists would enter the Chungking regime as Yenan representatives. Yenan insists on being given equal standing as against Chungking and full recognition of its lawful existence. The despotic rule of the Kuomintang would thus be smashed at once. Herein lies the importance of the question. Against this demand of Yenan, Chungking is trying to satisfy Yenan by making it appear as if the latter's demand is being complied with through the means of a National Congress. But Yenan is not satisfied with such an attitude of Chungking, criticizing it as a deception.

When the convening of the National Congress was decided upon at the early stage of the China Incident I questioned a certain high Nanking official whether all other political parties, as well as the Kuomintang, would be given legal recognition in the event of the enforcement of constitutional administration, and how the existence of a Communist Party would be viewed. He replied, "The Communist Party is different. It cannot be so easily recognized as a lawful one." Of course, the present internal and international conditions are much different from what they were at that time. But the words of this official may still be regarded as voicing the real view of the Kuomintang. It is therefore natural for Yenan to criticize Chungking knowing as it does Chiang's real intentions. The problems concerning the establishment of a coalition government may result fatally for Chungking, and are very serious for Chiang.

Tanaka: The convening of the National Congress and the enforcement of constitutional administration form the basic principle of the Kuomintang. The question of establishing a coalition government cannot be easily settled, as it is against this basic principle. The strong despotic rule of Chiang took many years to build up, but Yenan intends to demolish it. That is the aim of the proposed coalition government. If Communists would merely occupy individual seats in the Chungking Government that would be no problem for Chiang and there would be good possibility of his approving it. In such a case, Chiang would embrace Communist members, by the exercise of the strong structure of his Kuomintang. But as Yenan's demand is so great, Chiang's position would totter if it were accepted.

The foundation of Chiang's power may be said to be most anti-Communistic in nature. The C.C. is anti-Communist, and so is the Blue Shirt. All his financial and economic backers are anti-Communists. Certainly the proposed coalition government would overturn Chiang's position and bring Chungking into utter confusion. The guiding authority would be gained by Yenan. Thus, judging from various internal circumstances, Chungking will necessarily reject Yenan's demand. Such is a very fundamental observation, but does not explain the real nature of the question. The matter has to be viewed from realistic standpoints, with full consideration to America's desire for "democratization" of Chungking, the wishes of Yenan, the Soviet influence over Yenan, and the Soviet-American relations.

The United States also is demanding a Chungking-Yenan compromise through Chungking's demolition of its despotic rule. Chungking's own efforts to arrive at a compromise with Yenan require that some approach be made to Yenan's demand. Chungking, accordingly is restricting somewhat its despotism even though in a very limited way. Conditions under the Chungking regime also changed influenced by the long war, necessitating a change from the regime's previous one-party despotism. But all this only means legal status for political parties; it does not mean Chungking's consent to Yenan's demand.

As Yenan's demand is very drastic and persistent, it becomes very difficult for Chungking to recognize it. The wishes of the United States and the Soviet Union, while they affect the progress of the question, cannot force Chungking to go as far as is demanded by Yenan. Yenan is fully aware of this fact and may give up the idea of forming a coalition government with Chungking. Therefore, that Yenan has newly commenced to establish a coalition government may mean that it is prepared to establish one of its own.

Shoji: Then it is necessary to look into the real nature of Chungking and Yenan in relation to the question of a coalition government. Chungking is long established, and is much better organized than Yenan in political structure and in actual military strength. But Yenan has what may be called "power to charm," in place of the strength possessed by Chungking. That is to say, the Yenan leaders have an extremely positive nature when pursuing new objectives. On the other hand, Chungking is endeavoring to keep its former position safe from the penetration by Yenan. Thus their respective attitudes toward the people in general become different. The recent penetration of the Yenan influence into the Chungking controlled areas is very noticeable. Everywhere there are now seen armed conflicts. For gaining the people's mind, Yenan is devoting much effort, which would seem to be successful.

(To Be Continued)

MAJOR CRISIS DEVELOPS IN BRITISH LABOR PARTY

Is Precipitated by Laski's Demand Atlee Be Only Observer at 'Big 3' Meet

A major crisis is developing in the British Socialist Party, with week-end developments making it plain that the party is split on two issues, namely, whether the policy should be molded or merely implemented by the party leaders or whether the foreign policy should be taken out of the party arena, revealed the Daily Telegraph political correspondent in a report on June 19, according to a Domei Lisbon report quoting a London dispatch.

The crisis was precipitated by Labor chairman Professor Harold Laski. His recent demand that Clement Atlee of the Labor Party should attend the big three-power conference as observer only, brought to head the first issue on which there had long been a divergence of opinion among the Socialists.

The National Executive Committee of the Socialist Party made the situation clear in the early meeting. Whatever the decision a diversion of opinion exists.

Whether the foreign policy of Prime Minister Churchill and Foreign Secretary Anthony Eden hitherto backed by all parties shall continue or whether the subject will be a violent reversal, remains to be seen.

The Daily Mail political correspondent on June 19 reported that behind Laski's attempt is the story of a personal Vendetta. The story is certain to hamper the Labor Party throughout elections and has already become the highlight of the political campaign. For nearly two years, Laski continually sniped Atlee. His recent effort was a few weeks ago when he wrote a letter to Atlee inviting him to resign the leadership and to give a place more inspiring to his vigorous personality.

The Conservatives had been encouraged by a potential split in the Labor Party and also by the indication of a possibility of a caucus dictatorship. For them it is an already made argument against the Labor Party.

Trusting Labor Party

The Daily Herald editor reported on June 19 that the Labor Party was fully entitled to trust the nation. The Tory record of the foreign policy is disastrous and disgraceful. Their past policies led us steadily into war. Their present policies were leading us steadily towards more war. The genius of their tactical machine in the election is Beaverbrook. He is the man who fought in his newspapers for the Empire economic acts which would improverish and antagonize the other countries.

We should not bother to mention Beaverbrook but for the fact that he was chosen as the adviser to Churchill. Churchill leans on Beaverbrook, and therefore, all vague pronouncement of Churchill about international concord must measure according to the standards of Beaverbrook.

The Tory foreign policy election rests barefaced on the claim that Churchill and Eden negotiated with Stalin and Roosevelt who are the only men who can be trusted with similar negotiations in the future.

At Yalta, the men who were supposed to be clever in the interpretation of the British foreign policy made the agreement in black and white with Stalin but it turned out subsequently that they and Stalin differed drastically in the interpretation of the agreement and so for many months the Polish trouble continued to hamper the approach to an international concord. Between two wars, the Tory policy was rotten.

During war, nothing happened to justify the Tory claim that Churchill and Eden alone are trustworthy in negotiations with the foreign power. It was laughable that the Tory propaganda should now choose to challenge labor on this ground. A continuity of the foreign policy can only be secured by a victory of the Labor Party.

Create Laski Case

Meanwhile, the London correspondent of the Bund reported that the Conservative election propaganda machine was able to divert the attention from the Tory's differences with the Liberal's laborites principles by the creation of the Laski case.

Through their superior press strength, the Rightist group set out to possess virtually a monopoly for appealing to the people's feelings and instincts as the Liberal's labor did not possess even a fraction of the number of Tory new stories in the newspapers.

The Conservatives started a campaign using Churchill's name as a guarantee for the party program aims. They found in Laski an opponent who constitutes more suitable target than the quiet Attlee. Originally, the people had an alternative not between two programs or governments but between Churchill and Attlee.

Churchill offered Attlee the chance to accompany him to Berlin but stressed the conception that the foreign policy should remain unified and unchanged regardless of which party obtained power. The offer made every Englishman ask himself whether he preferred Attlee to Churchill to watch over the British interests in the future tri-party meetings.

The Laborite committee chairman Laski declared that Attlee should travel to Berlin as an observer and not assume any constitutional responsibility. However, clever opponents interpreted this as a lack of will to assume responsibilities, whereupon the Laborites quickly declared that Attlee should naturally go as Churchill's advisor. However, the Rightists, being on the aggressive, did not give in quickly, creating the belief that the Laborites were split. The Laborites refuted the Conservatives' headlines "Attlee against Laski, Laski against Attlee" claiming that labor was united.

Threatens Using Force

The Conservatives charged Laski with having threatened in his Newmark address to use force if Parliament did not approve the Labor government and its socialization measures. The Laborites had solemnly declared that Labor opposes the use of force.

The Daily Mail recalls that the Jewish Laski family came to Manchester several generations ago, and that Laski's younger brother directs the London Jewish Organization, and that Laski published 19 books and innumerable articles concerning all possible persons and crisis but that he is unknown to Main Street. Even in the Labor's transport house headquarters, nobody knows Laski except for what is said of him. Thus, a specter of an unknown grey eminence has been created.

Meanwhile, the echo of the Tory-Labor general election controversy over the power of Harold Laski, chairman of the Labor Party executive communities, was heard on July 7 when Lord Simon, Chancellor of the Exchequer sent a letter of apology to Laski for some unpremeditated remarks he made at an election meeting at Carshalten Surrey.

In his speech, Simon was reported as saying "If you want to stop the people's mouths, the way is to issue a writ." But it is certain that as soon as this election is over, no more will be heard about these writs.

Simon was referring to the writ issued last month by Laski against London and the Nottingham papers which quoted reports alleging that he had said that the Labor Party would use violence if necessary to attain its political objectives.

Simon in his letter says that while the Lord Chancellor would have nothing to do with the hearing of the case on hand and if there was an appeal, he should not sit, he felt that having regard for his office, he ought not to have made these statements and he was sorry he had done so.

NEW ARMS BEING MADE FOR MAINLAND BATTLE

Weapons Certain to Wipe Out Enemy Will Appear in Succession, Tada Tells Press

"New types of arms which will determine the outcome of the war at a stroke will make their appearance in succession and these arms, along with the special attack spirit, will annihilate the invading enemy forces without fail in the coming decisive battle," declared Lieutenant General Reikichi Tada, President of the Technological Affairs Board, in a statement he made to the press.

The statement of Lieutenant General Tada follows:

"It was known to us from the beginning that in the War of Greater East Asia our materials and productive power are inferior to those of the enemy. The war situation, when viewed from the beginning, is by no means adverse to Japan.

"Military facilities have sustained damage to some extent by a series of raids and bombardments, but such damage, when viewed from the standpoint of the entire war situation, is quite negligible. Our life has become somewhat inconvenient but it must be noted that the life in Japan under the wartime had been very extravagant before the enemy raids began. We can make nothing of enemy air raids if we make up our mind to give up our houses and property from the beginning.

"Raids and bombardments can damage things but they can do nothing against spiritual power and wisdom of the people. On the contrary, such attacks will result in raising the fighting spirit of the people. The technical power as well as the wisdom of the people have reached the high water level and they become a potential strength for propelling the future war situation.

Japan Has Advantages

"Japan is endowed with very advantageous conditions in the operation on the Japanese mainland. In the decisive battle on the mainland, the invading forces will have to use long spears, so to speak, while the Japanese with their characteristic special attack spirit need but daggers.

"The difference in the amount of materials will not seriously affect the outcome of the coming decisive battle on the Japanese mainland. The enemy has come of late to challenge the Japanese Forces, fearing that Japan is accummulating her fighting power. We must not be played upon by such a strategy of the enemy. We should patiently wait for the mature opportunity for smashing the enemy at a stroke in the coming decisive battle on the Japanese mainland.

"In the field of strategy as well as in the technical field, we are provided with special things. We are provided with special tactics and technique of which the enemy can never know. The technique means new arms in a sense.

"Arms which have so far been called new arms are common to the world and have been planned and made with the same idea and conception. There is little to choose between them. Thanks to the strenuous efforts of our scientists, new Japanese arms that will suit the physique and character of the Japanese were contemplated and are being manufactured in succession for use against the enemy in the battles on the Japanese mainland. These are called Special Attack arms or Special Arms.

Characteristically Japanese

"These new arms are characteristic to Japan and made in accordance with the new war situation. They are not to be found either in Europe or in the army or navy of the United States which boasts of rich materials. These are new arms which cannot be copied by the enemy. These new arms are waiting for the arrival of the time when they will be employed in the coming decisive battle.

"These new arms, generally speaking, are sure-death and sure-hit ones. The scientists hope for sure-alive and sure-hit arms from their own standpoint. When the spiritual power of sure-death is added to a sure-alive and sure-hit arm, the arm will display powerful efficiency. Arms which will surely hit are what all scientists of the world hope for, but such are not the golden rule for the Japanese scientists.

"In the face of the existing war situation, we rely a great deal on our spiritual power. To seek for a sure-hit arm, solely relying upon scientific power, is an Occidental way of conception. I demand for sure-death and sure-hit arms. I have a firm conviction that there is no arm which will hit a target without fail, without death."

Obituary

Toshihide Nakazaki, Diet member and former Mayor of Mito, died of sickness at his Mito home on July 21 at the age of 72. He was returned to the Diet five times from his electoral constituency.

Dr. Yorikichi Arima, president of the Arima Research Institute, passed away from illness at his Ashiya home on July 20. He was 65 years old. Dr. Arima had devoted the best part of his life to the study of tuberculosis.

Major General Mitsuo Donowaki, Councilor of the Research Department of the War Ministry and concurrently that of the Coordinated Planning Board, passed away from illness at his Setagaya home on July 20. He was 45 years old. Major General Donowaki rendered meritorious services at the time of the landing of the Yanagawa Corps in the Hangchow Bay area as a staff officer of the corps. He was admitted as an authority on things Chinese.

REGIONAL GOVERNMENTS TO BE GIVEN MORE POWER

Home Minister Abe Says Transfer Will Be Inevitable With Development of War

Home Minister Motoki Abe, who is now visiting the Kansai, worshipped at the Kashihara Shrine at noon on July 22. After having paid homage to the Shrine, Home Minister Abe made the following statement with regard to the question of strengthening of local administration and the operation of Regional Administration in an interview to reporters:

"The powers of the central authorities have now been transferred to the Governments-General of Regional Administration to a considerable extent. It is regarded as inevitable that, with the development of the war situation the transfer of the central authorities' powers to the Governments-General of Regional Administration will further be carried out. I presume that local administration will be disposed of within the authority of the Governors-General of Regional Administration.

"At the recent conference of the Governors-General of Regional Administration, a desire was expressed for an urgent establishment of the self-sufficiency structure of the respective regional administrative zones. This does not mean that everything should be self-supplied within the jurisdiction of the respective Governments-General of Regional Administration. For example, in regard to food, if it is found that the maintenance of self-sufficiency is difficult the government will be ready to advance emergency rice.

"With regard to the production of munitions, ways and means have been provided for ministering and appropriating mutually among regions under the jurisdiction of the respective Governments-General of Regional Adminstration so long as transportation permits. Regarding labor power, the question of redistribution of labor power was taken up by a recent cabinet meeting and a decision was made for transferring labor power of devastated factories and idle labor power to important fields. This shall be materialized before long.

"In view of the gradual intensification of enemy air raids, powers to a considerable extent have been bestowed upon the respective Governors-General of Regional Administration with regard to the question of dispersion, by taking the existing operation of transportation organs into consideration.

"By order of Governors-General, dispersion will be carried out in accordance with the requirement of the regions respectively. However, it is the policy of the government not to allow the movement of those who are absolutely necessary for air defense. In regard to the questions of food and dwellings of those who are moving into other prefectures, an instruction has already been issued requesting them to cooperate with the receptive side.

"By the formation of the National Volunteer Corps, the unification of the military, government officials and the people will further be perfected. The central figures of these three must be government officials. Government officials, as a medium, should make efforts for strengthening the bond of unification between the military and the people.

"Since the Governors-General have been bestowed the authority of punishment, the discipline of officials of the Governments-General of Regional Administration will be firmly maintained. I earnestly hope for the realization of decisive and drastic policies aiming at establishing a cooperative structure for the 100,000,000 people of the Empire."

War Bonds Issued

The Government on July 20 issued the Greater East Asiatic War Bonds with the face value of ¥3,500,000,000. The issue price is ¥98 per ¥100 and these bonds will be redeemed by September 1, 1953. The bond bears an annual interest rate of 3.5 per cent. The interest will be paid semi-annually on March 1 and September 1. The Deposits Bureau of the Finance Ministry has subscribed ¥1,000,000,000, while the Bank of Japan accepted ¥2,500,000,000. The bond yields 3.65 per cent on simple interest basis and 3.68 per cent on compound interest basis.

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The Failure of the Simla Conference

The final failure of the Simla Conference on July 14 was not surprising in view of the fundamental nature of the conflict of interests which exists between India and Britain. But the ostensible reason given as the immediate cause for the breakdown of the Conference, after it had seemed for a while that some sort of a temporary compromise might be attained, deserves critical examination.

According to the British reports, the breakdown of the Conference was caused by the so-called communal problem. These reports assert that the Indian National Congress was ready to accept the British proposal and to participate in the selection of the Viceroy's Executive Council but that the formation of the Executive Council was thwarted by the insistence of the Muslim League on the exclusive right to select all five of the Muslim members of the proposed Council. The impression is thus given that strife among the various racial and religious groups in India is still so deeply rooted as to obstruct the attainment of Indian unity.

Such an impression is designed to raise the question as to whether the struggle between the Indian National Congress, which is supposed to be a national organization which transcends all racial and religious differences, and the Muslim League, which represents only a minority group even though that minority comprises 100,000,000 people, is destined forever to prevent the development of a united national movement in India. The question may well be answered by asking the further question as to whether the internal struggle between the groups inside India is the reason for character of the British rule in India, or whether it is really the result of the British policy of "divide and rule".

But such questions should not be allowed to hide the fact that the Simla Conference was not based on any Indian demand but solely upon British initiative from the very beginning. The way in which the Indian problem has lately drawn the attention of the world, as evidenced by Soviet Foreign Commissar Molotov's reference to the problem of Indian independence at the San Francisco Conference, could not have been but displeasing to Britain. Even though with experienced expertness the British succeeded in preventing the San Francisco Conference from taking up the Indian problem by diverting attention to the roaring controversy over the question of trusteeship, Britain could not afford to appear indifferent to the destiny of India. Hence Britain felt that the time called for some outward show of a pious wish for the attainment of self-rule for India. Moreover, considerations of domestic politics on the eve of the general elections made it imperative for the British Government to appear active in dealing with the Indian problem.

Thus the British Government convened the Simla Conference, not as an affair of India primarily, but as an affair which was primarily British in character. How little the standpoint of India was considered is proved by the fact that the British White Paper specifically stated that the "offer of March, 1942, stands in its entirety without change or qualification", showing that Britain intended to make no advance over the earlier unsatisfactory Cripps Plan. The Indianization of the Executive Council was to be a temporary measure under the present constitution, and the principal Indian demand for a responsible cabinet was entirely ruled out from the beginning. Under the circumstances, the Indianization of the Executive Council and the granting of diplomatic rights could be nothing more than mere international window dressing. The essential character of the old Government of India, based on the dictatorship of the Viceroy, was to continue unchanged. Needless to say, such an arrangement would have constituted no real concession to India whatever.

Now that even this plan has failed, Britain's dictatorial rule remains more solidly entrenched than ever while Britain has gained the new advantage of being able to pretend that she had made every effort to be accomodating. She is making utmost use of this advantage by pretending to be exceedingly regretful over the breakdown of the Simla Conference. It is to this end that Viceroy Wavell has made the apparently magnanimous gesture of theatrically pretending to assume personal responsibility for the failure of the Conference. It has provided the occasion for such a person as Vansittart to exclaim: "I think it due to Lord Wavell's great natural courtesy and charity that he has shouldered full responsibility for the breakdown of the conference. I do not think anyone else will agree with Wavell's noble shouldering of the blame." Thus, Britain is secretly smiling slyly, for she has secured an excuse to justify her rule of India by creating the impression that India, because of its internal discord, is not ready for self-rule.

Although no detailed report is available as to why the Muslim League adopted the stiff attitude that it did, it is worthy of notice that its action played into the hands of the British by preventing a British-Indian compromise. It is also not clear as to why the Indian National Congress changed from the attitude it held at the time of its rejection of the Cripps Proposal and this time evinced willingness to cooperate in the formation of the new Executive Council. It is most likely, however, that the Congress leaders merely sought to change their tactics, to shift from the tactics of open resistence to the more subtle tactics of burrowing from within, to accept office so as to enable themselves to stand in a more authoritative position from which to appeal to the opinion of the world while at the same time continuing their drive for self-rule. In other words, they were prepared to accept office in order to make more trouble for the British; there was no change in their ultimate objective.

But since the latest conference was an empty one and worthless from the beginning, the Indians lose nothing by its breakdown. Jawaharlal Nehru, in his first statement upon being recently released from prison, declared that the fundamental goal of the Indian National Congress was Indian independence and freedom and that "no suitable world order can be evolved unless India is freed." After the breakdown of the Simla Conference, the Indian National Congress issued a statement in which it assailed the United Nations Charter, declaring: "The Great Powers have shown at San Francisco no inclination to give up their colonial possessions. Imperialist Powers still are functioning in the old imperialistic way and intend to retain and exploit their possessions." Thus, the problem of India still remains unchanged; the goal of the Indian people still remains the same; and India is still bound to go through further stormy developments.

India indeed constitutes a standing proof of the contradiction between the words and the deeds of the Allies. There can be no world peace without Indian independence. The struggle for independence by any people has ever been a record of blood and tears. Under the present international situation, the movement for India's independence can be no bed of roses, but final success cannot fail to come. This fact is most clearly and unequivocally pointed out by Subhas Chandra Bose, Head of the Provisional Government of Azad Hind, whose dynamic leadership provides the greatest direct inspiration to India's independence movement.

Catty

An actress congratulated an authoress on her recent book. "I enjoyed it," she said. "Who wrote it for you?"

"Darling," clawed the authoress, "I'm so glad you liked it. Who read it to you?"

THE PROBLEM OF INFLATION

Only Remedy Against Present Situation is Cooperation

(By A SPECIAL CONTRIBUTOR)

It is gratifying to note the prompt and positive steps the Bank of Japan is taking in establishing branches in the various prefectures as a measure for centralization of funds and facilitation of general financial affairs such as covering deficits in prefectural credit organs. It is significant that the action is taken immediately following the report made by Finance Minister Hirose at the Cabinet meeting on July 20 regarding the grave state of inflation into which the currency of the nation is likely to fall if present conditions are allowed to continue unsuppressed.

While the Minister is asking the people not to make light of the conception of money, the voice of the people expressed through the local papers is calling upon the government to take strong and positive measures to counteract the harmful situation. True enough a great responsibility lies with the government which after spending that money now calls upon the people to tighten their belief; but it must be recognized that the greater portion of the outlays was quite unavoidable and incidental of the enemy raids and that it is the people themselves who received the benefit, temporary though it were.

No Miraculous Panacea

As the Minister stated at a press conference following the Cabinet meeting, there is no miraculous panacea which may be expected to immediately and completely cure the evil. It is only by a cooperative effort, not only among his Cabinet colleagues but also, and more important, between the administration and the people, that an effective remedy will finally be brought about.

The various remedies suggested and proposed by the Finance Minister may be divided generally into two categories, depending for the most part on where the funds are at the present moment. One is a rigid control over the extraordinary budgetary expenditures to be disbursed in the future; the other is a strict surveillance and restraint over the utilization of funds already disbursed, or in other words, the absorption of funds already in public hands.

This is to mean that, as to the first category, it is the duty of the administration to see to the immediate and effective control over the money over which it has control. It means that the administration must re-examine the budget with the idea of exercising the greatest care in its formulation; it must readjust government capital, laying strict emphasis on how it shall be employed in the future; and it must put into operation a strong and effective system of taxation which will fit the present pattern of domestic finances.

Many Difficulties Ahead

As the Finance Minister pointed out, there are grave difficulties to be encountered. Wartime production must be continuously stimulated through government capital. On the other hand, such large subsidies may only be put to the greatest use in an economic structure in which facilities, material and labor are to be found in abundance. Although it is true the Minister's explanations must stand the criticism of a certain inadequacy, it is quite certain that the solution of the problem of facilities, material and labor must first be accomplished before capital can be of any use. In this connection the Minister has intimated that appropriate steps will be taken in re-allotting budget items according to the provisions of the Wartime Emergency Law.

In regard to taxation, Minister Hirose pointed out that by general estimation revenues from this item will be decreased by ¥2,800,000,000 due to incapacitation caused by the bombings. However, he hopes that the administration will be able to work out a new readjustment of income gradations as regards direct taxes; while indirect taxes will be given due consideration in conjunction with the future price policy. And while it is true that a certain degree of incapacitation has been brought about, it is also significant that the limits wherein taxation may be employed has been greatly widened by the creation of a new class of high income earners on whom the provisions of the Wartime Emergency Law may be brought to apply.

People Must Cooperate

As to the second category, it means that the people themselves must cooperate with the above effort on the part of the government by putting forth their utmost effort in absorbing the funds that are already in their hands by way of greater savings and purchases of war bonds. It means that the people must institute stringent restrictions upon themselves; and put into deposits and bonds whatever funds may be gained through such voluntary restraint upon their purchasing power.

In this connection it is congratulatory to note, for instance, that in spite of having fought eight gruelling years of war, the Japanese people have shown a high percentage of bond absorption. From the beginning of the China Affair, bonds have been issued to the amount of ¥84,?70,000,000, of which the people have bought up ¥76,730,000,000, or 90 per cent.

All Must Cooperate

As to savings, too, the difficulties involved are mountainous. Of the total estimated national income of ¥90,000,000,000 for 1945-46, the people are called upon to deposit ¥60,000,000,000 as savings. Evacuation expenses and other unlooked-for outlays, especially among raid victims, has made it hard for the people to follow a prearranged program of savings.

Still, it is imperative upon both the administration and the people that they should not lose sight of the fact that the note issue at the end of June was ¥26,180,000,000, which tops by more than eight billion yen, in half the time, the issue for last year. As long as the War of Greater East Asia is being fought, and possibly even for some time after, there can be no talk of redemption; and neither can restoration to a metallic standard is considered under the circumstances. One cannot deny that lately there is a noticeable scramble for protection, such as investment in land and tangible possessions. Such actions merely aggravate the situation, however; and as long as Japan is fighting this great war, the only remedy against the present currency situation can be complete cooperation between the administration and the people.

READERS IN COUNCIL

Religious and Political Tolerance

To the Editor of Nippon Times;

Sir:

I read with great interest your editorial of July 13 entitled "Religious and Political Tolerance." In this editorial written in connection with the speech made by the new U.S. Secretary of State, James F. Brynes, upon taking his oath of office, you claimed that religious and political tolerance is to be found in the Orient rather that in the Occident. I wish to point out in my letter more concrete examples in support of this argument in respect to Japanese culture because of two reasons: first, there is a persistent and deeply-imbedded misunderstanding about Japanese culture on the part of Westerners, particularly the Anglo-Americans; secondly, there are many historical facts indicating their mistaken conception.

When Buddhism was brought into Japan, no narrow-minded and repressive attitude was shown to it either by the government officials or the people. Although by that time a national religion had already been established in Japan, the Imperial Court caused the government officials to conduct free discussions as to whether the alien religion should be permitted in the country. The famous Prince Shotoku-taishi was a devout convert of Buddhism and, at the same time, he played a great role in the political and cultural unification of Japan. The Horyuji Temple in Nara, which was designed by the Prince himself, has been known throughout the world as representing the superior expression of Buddhistic culture which was brought to Japan via China. Such an ancient Buddhistic structure has been able to exist side by side with purely native architectural structures, such as the Grand Shrines of Ise, which, in the opinion of the German architect, Dr. Bruno Taut, is the most representative Japanese type of architecture. The very harmony and peaceful existence of alien culture together with the native culture, each trying to influence the other, has proved the dominant trait of Japanese cultural life, whose unique existence is traceable to such harmony and peaceableness, which excludes mutual strife between native ideas and institutions and those brought in from alien lands.

In the middle of the 17th century, Japan began to enforce a policy of national exclusion purely from a political motive, but the attitude shown by both our government officials and the people toward Christianity prior to this exclusion policy was not such as often imagined by the Anglo-Americans. Oda Nobunaga, the author of feudalistic centralization of power, was a great protector of the believers in Christianity. Madam Tadaoki Hosokawa, the wife of a samurai, who was famed for her sterling character and great bravery, was a devout Christian. Anglo-American critics may regard the Shimabara Revolt as being the result of religious persecution but in reality its cause was rather political in nature; it cannot be compared with the religious struggles which blight the history of medieval Europe. The very fact that the Shimabara Revolt is prominent in Japanese history proves the scarcity of similar events in this country.

Japanese cultural tolerance may also indicate a certain openness in our racial character. One such example may be offered by our castles. To begin with, Japan has never had any "fortified cities" such as exist in medieval Europe. Nor were Japanese castles constructed solely from a military viewpoint. Even those built during the period of intense fighting possessed human and cultural elements. Japan's noted castles were especially marked by such human and cultural factors, as exemplified by the Chiyoda and Nagoya castles. A castle with broad walls on which stand pine trees, with their exquisite boughs hanging down toward the surrounding moat, is an object of pure beauty to lovers of art. Such a castle cannot be found either in China or in any European country. This proves the fact that despite pressing military needs the Japanese have never forgotten the role of culture and art in daily life. The tea ceremony, partially appreciated by Westerners, was developed in such a feudal atmosphere of peace and culture and was appreciated by the warriors with cultural taste.

Japan has always possessed the vital elements of tolerance and openness in her racial traits, and even during the period of national exclusion, she never completely cut off her intercourse with China and Holland. True, Japan was given the opportunity of creating a modern State through contact with modern Western civilization. But, this was never imposed upon her unconditionally or formally. If such an unconditional imposition of alien institutions and culture had been made on Japan, she would never have been able to attain her present position in the civilized world of today. This point should be appreciated and understood better not only by our people but also by other peoples.

A Common Patriot.

AMERICA'S VULNERABLE POINTS

Domestic and Diplomatic Problems Burden Enemy

By G. MASUI

While we are facing great privation, our enemy must also be facing a similar crisis though in a different form or under different circumstances. The American enemy has several serious drawbacks in the Pacific War which I wish to clarify in this article. Moreover, the fact should be noted that while we are daily experiencing the bitterness of actual fighting and are prepared to battle the enemy in our front yard, the people in the enemy country are situated far from the theater of actual fighting and thus for them the war is not so real or pressing a matter as for us.

This difference will prove an advantage to us at least in the long run. In other words, whereas our own national emergency is visible, concrete and real, that of the American enemy is invisible, conceptual and unreal in the sense that the American people cannot experience it directly, especially because of their fatal preconception that Japan is a weak enemy whom they could crush almost in no time if they so desired.

It is undeniable that the enemy has several major vulnerable points that are bound to prove disastrous for him all the more because these are not realized by the American masses who have been hoodwinked by their irresponsible war leaders into the belief that their nation is absolutely sure of victory. The first vulnerable point of America is psychological. The close of the European War has created the false impression that the current World War inclusive of the Pacific War has virtually ended. This impression, coupled with their preconception regarding Japan's weaknesses already referred to, has made the American public extremely optimistic of the outcome of the Pacific fighting and has already resulted in the slackening of its war efforts. The masses in America are now more interested in the problem of their industrial reconversion, their civil production, and their problem of peaceful reconstruction. This is partly accountable for their increasing aversion to bleeding in the Pacific theater of war, as proved by the severe criticisms heaped on the American naval authorities for the stupendous sacrifice made in the recent Okinawa campaign.

Economic Paradox

The second weak point of America is economic. The important fact about American economy is that America must solve her economic problems essentially within the pale of laissez-faire economic order. This is her internal paradox. America must solve her economic problems by means of her traditional method of capitalist economy and this necessity involves further economic difficulties; and she cannot outgrow this economic fatalism because of her inherent ideology and racial characteristics. Thus, the Roosevelt Administration had to resort to a foreign war in order to solve the economic problem of America and this is the vital cause of the current World War; because such a policy was born of the American economic system based on the exploitation of other nations. In Europe the current war came to a close and this created a new economic problem of stupendous importance for the United States. America must see to it that Europe should be so rehabilitated that its peoples will be enabled not only to enjoy better living but also be able to have greater purchasing power for the consumption of American commodities. But in order to enable Europe to be so, America must send supplies to the European nations even when the latter have no means of purchasing them. Thus, the rehabilitation of Europe will prove an economic burden as well as an economic asset for the United States. This is another paradox in American economy in its external aspect. Moreover, America's necessity of sending supplies to Europe will seriously affect her prosecution of the Pacific War when it has just assumed its most desperate character. It is to be noted that the grave situation of the Pacific War has synchronized with the aggravation of the general European situation both having disastrous consequences on American wartime economy.

Diplomatic Difficulties

The third weakness of the United States is to be found in her difficult diplomatic relations with Chungking, Britain and the Soviet Union. So far as the prosecution of the Pacific War is concerned, none of these nations will prove helpful to America. Nay, her relations with all of these nations will rather prove a source of trouble for her. Chungking has been showing its attitude of cooperation to America only within its own limit of convenience; in other words, Chungking has been utilizing America as much as America has been utilizing that regime. Chiang Kai-shek has been more interested in keeping his power over the Yenan regime intact rather than in cooperating with the American forces in China to fight against the Japanese Forces; and it is highly doubtful that the Chiang regime will alter this policy even after the proposed American landing operations on the Chinese mainland. On the contrary, it may be supposed that the Chungking regime will gradually realize the serious consequences of the American military advance into Chinese territory and this will give rise to untoward results on American-Chungking relations. Already there have been serious complications between the American and Chungking soldiers, and after the American landing operations such complications will increase in both number and intensity, until an anti-American movement will be undertaken by the Chinese masses.

Nor will Britain be of any substantial help to the United States in the Pacific War. There is no doubt that Uncle Sam desires John Bull's cooperation in the war against Japan, despite the belief entertained in some quarters that he rather wishes to fight the war single-handed rather than to see John Bull's voice enhanced in East Asia after the war because of the latter's cooperation in the war. America really and earnestly wishes British cooperation in the Pacific because her most ardent and greatest desire at present is to terminate the war against Japan as speedily as possible chiefly because it is a means to her domination on the Asiatic continent rather than an end in itself. America realizes that great though her material power is she is unable to finish Japan as quickly as she formerly thought she could, especially after her bitter experience in the Okinawa campaign.

On the other hand, Britain feels that she has been quite exhausted in her war with Germany and that she must devote her whole energy toward her own national recovery from the scars of the European war, especially on her financial side. She realizes that she is not in a position to permit her to spend more lives and more material in the costly Pacific War with the exception of the defense of India, her great treasure house; she has even despaired, it seems, of recovering, at least at present, her former possessions in the Pacific basin because of her sheer national exhaustion. And she is crafty enough to let Uncle Sam do her job.

A Financial Burden

Britain will prove a financial burden for America for years to come, for she must depend to a great extent on American economic help for her postwar rehabilitation and this will tax America's war effort in fighting Japan. Thus, the existence of Britain will prove a liability rather than an asset for America, so far as the latter's necessity of continuing the war against Japan is concerned. And what is true of Britain in this respect will be also largely true of other countries of Western Europe such as France, Belgium, Holland, Denmark, etc. all of which must depend on American aid in their postwar rehabilitation. In other words, all these European nations will prove a cog in the wheel of the American machinery of war prosecution. And as we have already seen Europe's postwar rehabilitation is inseparably bound up with American economy so that America cannot completely leave the war-devastated European nations in the lurch, but must assist them so that the machinery of American production may go on smoothly which means that America must keep her unemployed labor force at a minimum. Here, too, then America is faced by an internal paradox which is likely to prove a great hinderance to her execution of the war in the Pacific area.

Lastly, America's relations with the Soviet Union will prove another monkey wrench thrown into the machinery of her war prosecution. It is unthinkable that the Soviets will participate in the war against Japan as easily as some Americans hope they would.

Moreover, there is a persistent danger of incurring the anger of the Soviet Union by the rash methods of American diplomacy in Europe and China. In China, America has been pursuing the policy of aiding Chungking which is relentless in its feelings toward Yenan which has Soviet sympathies. While any open clash between America and the Soviet Union in the present stage of their relations in either Europe or China is unlikely, there are great possibilities of the aggravation of American-Soviet relations after the landing operations have been undertaken by the American forces on the Chinese mainland. Moreover, the rash and daring diplomatic method of America in Europe is liable to create untoward consequences in the relations between the two nations, especially in connection with the problem of German occupation and the territorial division of Germany. Britain has shown her traditional craftiness by retreating to the west of the Elbe River in favor of the Red Army, thereby making a big concession to the Soviet Union. No such concession will be made by America in Germany or elsewhere in Europe. America, on the contrary, will go on headlong into the Soviet sphere of influence, impelled no doubt by plutocratic power at home. Thus, her relations with the Soviet Union are bound to be an implement to her war against Japan.

America appears to have found herself struggling in the quicksand: the more she makes exertions in mind and body, the further she will go down into the bottomless pit, from which she can never lift herself. Japan only need continue her struggle for national existence and the emancipation of her Asiatic brethren with a great resolve and the American enemy will exhaust herself in the end.

U.S.S.R. AND CHINA

Criticisms Directed Against Chungking's Dictatorship

By RINJIRO HARAKO

I

The recent visit of Dr. T. V. Soong, President of the Chungking Executive Yuan, has offered an opportunity for the press in America to demand that their Government re-examine its policy toward China. For example, the New York Herald Tribune in its editorial on June 29 made a scathing criticism of the American Government by declaring that its China policy has had no result except to create a civil disturbance in China. This criticism was evidently directed against the announcement made by American Ambassador to Chungking, Patrick Hurley, upon his return to Washington in a press interview on February 2, in which he branded the Yenan regime as "an armed political organization" and declared that hereafter the United States would deal with Chungking as the only legitimate government in China to whom America would supply arms and ammunition. This American journal considers that America's one-sided support of the Chungking regime would only encourage Chungking to assume a sterner attitude toward Yenan and thus intensify the existing hostile relations between the two regimes and give rise to a civil disturbance in China.

Again, Walter Lippmann, well-known American commentator on diplomatic affairs, on June 28 stated that the total lack of unity and cooperation between the United States and the Soviet Union regarding their continental policy in Asia would only encourage Japan to strengthen her will. Lippmann pointed out the possibility of an ultimate collision in East Asia between the American Government which supports the Chungking regime and the Soviet Government which sympathizes with Yenan. Thus, his views reflect the general American sentiment which entertains apprehension over the existing situation in China. In view of the high probability of the East Asian problem being taken up side by side with the European issues at the "Big Three" Conference, the visit paid to Moscow by Dr. T. V. Soong, who is the American watchdog in the Chungking regime, recalls in our minds the same role which Harry Hopkins, President Truman's personal envoy, has played at the Kremlin in making preliminary arrangements for the "Big Three" Conference. Thus, T. V. Soong's present visit to Moscow leads us to arrive at an obvious conclusion. However, before reaching such a conclusion it is desirable to examine the Soviet policy toward China, particularly Chungking, to see whether it is of such a nature as to allow cooperation with the American policy toward China. This is because the Soviet policy toward China may be taken as a barometer of the Soviet Union's policy toward entire East Asia.

Weakness of the Chungking Army

It is an undeniable fact that the Soviet press has begun to show a considerable concern about China. The Pravda, organ of the Soviet Communist Party, the Izvestia, organ of the Soviet Government, and Radio Moscow have frequently taken up the Chinese problem. Especially noteworthy are the two articles published in the recent issues of the War and the Working Class by V. Avalin, who has been known as an expert in Far Eastern affairs. As is known to all, public opinion is controlled in the Soviet Union as in the case of Germany and the opinion expressed by individuals in public publications may be taken as the formal views of the Soviet Government. Thus, the opinions expressed in Avalin's two articles, one published in the December 1 issue entitled "China at the present stage of the war situation" and the other published in the April 16 issue entitled "Whither China?" may be taken not as the author's personal views but those of the Kremlin. One may, therefore, draw conclusions from these two articles in order to conjecture what the Soviet policy toward China is.

In his first article entitled "China at the present stage of the war situation," Avalin dwells on the strategic success of the Japanese Forces on the continental front during the year 1944 and on "the miserable defeats of the Chungking forces" and gives the reason for this as follows:

"What is the main cause of Chungking's defeats? If we should examine how the Japanese Forces secured their important military success in China so easily, we cannot but reach the conclusion that it is due to the defective policy adopted by the ruling class in Chungking. This policy has not served to expand and strengthen China's war efforts; it has rather assisted the weakening and deformation of her endeavors in conducting the war. The fact is that the powerful elements in the ruling of Chungking have been pursuing profit-making for their individual or partisan interests and have been obstructing the execution of a constructive policy in military and political affairs. Instead of directing the policy of the Chungking regime towards China's progress and democratic development, they have been contributing towards the adoption of reactionary measures and the cultivation of an undemocratic ideology. In other words, these reactionary classes have been attempting to create an unpassable abyss between the Chungking regime and the Chinese masses. The War defeats of Chungking are the inevitable outcome of the above policy. It is clear that, as long as this policy is maintained, it will give rise to still greater dangers. Information emanating from China as well as recent happenings reveal that the power of reactionary landlords and of the speculative financiers who earn fat profits from the war has greatly been strengthened within the Kuomintang. In deciding on military strategies, reactionary generals wearing the masks of patriots are maintaining their decisive voice."

What Avalin tried to show in the foregoing quotation is that the element which occupies the central position in the Chungking regime is far detached from the ideal of democracy which is advocated by the United Nations and that this element considers its own profit-making as its aim in the war against Japan. This recalls in one's mind the following point made by the Washington Post on May 14, 1944:

"The American people are dissatisfied over the fact that the Chungking regime is showing a growing inclination towards a totalitarian system. Whereas the Chinese people are desiring liberal and democratic reforms, the policy of the Kuomintang is becoming more and more severe."

(To Be Continued)

Met Her Going Out

Antigonus Cyclops, most distinguished of Alexander the Great's generals, went to see his son who was ill. At the door of the sickroom he met a beautiful girl, just leaving. Going in, he found his son looking surprisingly well.

"The fever has left me," the young man explained.

"Yes," replied Antigonus, "I met her going out as I was coming in."

Most Powerful Greek

"My boy," Themistocles, the soldier and statesman, once said to his young son, "you are the most powerful person in all Greece."

"How can that be?" asked the lad.

"Because," answered Themistocles, "the Athenians command all of Greece; I command the Athenians, your mother commands me; and you command your mother."

These Ultramodern Ancients

Plutarch tells of a Roman, divorced from his wife, who was blamed by friends for the separation.

"Was she not beautiful?" they chorused. "Was she not chaste?"

The Roman, holding out his shoe for them to see, asked if they were not good-looking and well made. "Yet," he added, "none of you can tell where it pinches me."

[illegible]

A man attended the unveiling of a bust of himself. After the ceremonies, a young woman came up to him. "I hope you appreciate," she said, "that I have come 50 [illegible] to see your bust unveiled." Whereupon, with a bow, the man [illegible] "I would go a thousand [illegible] yours."